RTA MERCHANDISING

Discounters Pushing Both High and Low-End RTA

(Continued from page 21)
tween 10,000 and 20,000 sq. ft. to as many as 15 vignettes each of bedroom, dining, upholstery and other traditional furniture settings. While the assortment is composed of traditional pre-assembled furniture, the prices are discount, said, Larry Crink, general manager, Your Furniture Stores.

Swallens is another regional discount store chain which handles RTA more as a promotional item than as a category, while focusing on a furniture selection that rivals better furniture galleries. The Cincinnati-based nine-unit chain—which typically occupies small three-story buildings—frequently uses its ground floor as a traditional furniture showroom. The chain has four buyers for office, juvenile and home furnishings.

By devoting footage to upscale furniture—both RTA or pre-assembled—these discounters are luring upper income households into their stores, according to *DSN* research.

Contrary to common beliefs, the research indicated that as annual income increased, so did the likelihood that a consumer would purchase RTA. About a third of households with less than $20,000 annual income purchased RTA, while about 45% of households with more than $75,000 annually, reported purchasing RTA.

Despite the greater incidence of purchase among affluent shoppers, discount stores continue to command the lion's share of the market, with 42% naming a discounter as the place they made their last purchase.

Department stores (26%—which include 6% mentions for Sears and Montgomery Wards combined) and home centers (13%) were the second and third most often named stores, respectively. And because RTA is a product which, unlike most other goods, has its origins in discount retailing, as the category grows in popularity, discounters are apt to be the first place a customer decides to investigate an RTA furniture purchase.

The Northeastern and Western regions of the United States were found to have more consumers who have purchased RTA furniture within the past year—36% and 34%, respectively. The South and Midwest were found to have 29% and 26% of respondents buying RTA last year. Households with children were more likely to purchase RTA than households without children—36% as compared to 26%.

Bookcases/shelving, entertainment centers, desks/computer desks and TV stands were the four most frequently purchased RTA pieces.

Unclaimed Freight Leases New Space

BETHLEHEM, Pa. — Unclaimed Freight, a 13-unit discount furniture retailer, has signed a five-year lease to take on 144,000 sq. ft. of warehouse space in the Allentown Commerce Park, (formerly the Mack Trucks Manufacturing Plant).

The warehouse will eventually be equipped as the chain's distribution hub to its five-state trading area. The retailer's East Hartford, Conn., warehouse will continue to ship customer deliveries. Richard Welch, chairman of the board noted, "Increasing our warehouse capacity was inevitable, considering the rapid growth we've experienced in the past two years. The chain projects sales in excess of $55 million in 1992, due in part to reformatting its Somerset, N.J., store, relocating its Reading, Pa. unit and opening "several" new locations during the balance of 1992.

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Wal-Mart Opens 2 Oregon Stores

(Continued from page 1)
year, or a total of 18.

Wal-Mart also has announced sites for two discount stores in Idaho, Rexburg and Moscow, which is only two miles from Pullman, Wash. Wal-Mart thus will affect Washington retailers before it opens its first store there, said Dick Larner, director for the Washington State Downtown Revitalization Program, a state agency.

Since Christmas, Wal-Mart has been running TV ads and Sunday circulars urging Washingtonians to buy merchandise cheap at Wal-Mart but without mentioning any store locations, Larner said.

Wal-Mart "absolutely" will come to Washington, Larner predicted, with perhaps six stores by the end of 1993. But Larner said he has been unable to confirm any of the many rumored sites, and Wal-Mart remains tight-lipped about its plans there.

In Oregon, Fred Meyer, Portland, Ore.; Bi-Mart, Eugene, Ore.; and G.I. Joe's, Wilsonville, Ore., along with Kmart, will feel the most heat from direct competition in the seven towns Wal-Mart selected for its first stores, as well as in the other 11 possible markets. In two of the known markets, Wal-Mart also will compete directly with Target and ShopKo.

True to its roots, Wal-Mart picked rural enclaves for six of its first seven stores in Oregon. Lebanon and Klamath Falls, where Wal-Mart opened March 3, boast populations of 10,500 and 16,600, respectively.

Populations of the other four are: Grant's Pass, 14,997; Hermiston, 9,408; McMinnville, 14,080; and Woodburn, 11,196. The exception is Salem, the state capital, population 106,000.

The chain will open its Salem, Hermiston and Woodbridge stores this summer.

Portland, with a population of about 500,000, is the only major population center in the state. Among the possible 11 additional markets, only one, Tualitin-Wilsonville, is near Portland, about 20 miles south.

The others are: Astoria; Coos Bay; Corvallis; Hood River; La Grande; Medford; Newport; Ontario; Tillamook; and Warrenton.

Their populations range from 2,493 for Warrenton to 40,960 for Corvallis.

If Wal-Mart succeeds in securing stores in those other markets, it will have blanketed the state, with the exception of the lightly populated southeastern sector. And Wal-Mart even is looking for store sites there, said Cynthia McBurney, retail specialist for the Oregon Downtown Development Association (ODDA).

Of the 18 known and possible sites, 11 cluster along the two major interstates in Oregon, I-84, looping across the northern part of the state and I-5, the highway linking Washington, Oregon and California. The five exceptions, including Newport, Coos Bay and Astoria, are fishing and tourist towns on Oregon's scenic coast.

Store sizes of the first seven Wal-Marts in Oregon vary widely: Hermiston, 73,000 sq. ft; Lebanon, 94,700 sq. ft; McMinnville, 101,000 sq. ft; Woodburn 102,000 sq. ft; Salem, 119,000 sq. ft; Klamath Falls, 119,500 sq. ft; and Grant's Pass, 122,000 sq. ft.

Lebanon is still suffering from the loss of a Lebanon plywood plant five years ago, and its jobless rates stands at 9%. About 4,500 people applied for 185 Wal-Mart jobs paying at or slightly above Oregon's minimum wage of $4.75 an hour.

Except for localized lawn and garden offerings, such as a "distorted filbert" (a twisted, snake-like plant), $46.97, and moss and slug killers, you'd hardly know you were no longer in Kansas once you set foot in the Lebanon Wal-Mart.

Associates were lamenting that their store carried no licensed apparel from either the Portland Trailblazers or the University of Oregon in Eugene. "We're trying to get the manager to order some," one associate said.

The store was featuring Wal-Mart's spring promotion, Rollback America, a campaign that rolls back prices on selected items within various categories. A ceiling-hung sign depicted a Wal-Mart associate rolling up his sleeves and proclaiming that Wal-Mart is rolling back prices.

Wal-Mart is backing the rollback promotion with a national network TV campaign.

Shelf-talkers mounted on the tops of gondolas promoted the before and after prices of a variety of health and beauty care products.

Some examples: Ultra Slim Fast diet drink, 11 oz., was 99 cents, now 88 cents; Visine Eye drops, 0.5 oz., was $2.97, now $2.64; Maalox, 12 oz., was $4.78, now $3.97; and Soft Shave, 8 oz., was $2.12, now $1.82.

Traditional Sports Chains Retreat

(Continued from page 6)
trates the megastore threat Herman's faces.

This month, Sports Authority will open in Wayne, N.J., the first of 10 to 12 superstores slated for the metro New York market, Herman's home territory. Sports Authority now operates 36 stores of 40,000-sq.-ft. and expects to be running 54 by year-end.

SportsTown plans to open 10 to 12 more megastores over the next 18 months, said chairman Tom Haas. SportsTown now operates 13 units ranging from 42,000 sq. ft. to 68,000 sq. ft in three markets, Atlanta, Dallas and Houston.

Founded in 1987, SportsTown generated its first annual profit last year on sales of $88.1 million. To fund expansion, SportsTown filed last month to go public. In a registration with the SEC, the chain disclosed intentions to raise a net of about $18 million through the sale of 1.9 million shares, or a 41.4% stake.

Another superstore chain on the march is Sports Unlimited, Tampa, Fla., owned by Investcorp, a Mideast holding company funded with Arab oil money. Sports Unlimited is building a 20th unit in Charleston, S.C. Store sizes include 40,000 sq. ft., 45,000 sq. ft., 50,000 sq. ft. and even 85,000 sq. ft. (in Oklahoma City), said president Jim Bradke.

Privately owned Sportmart, Niles, Ill., is another chain that is opening nothing but 40,000-sq.-ft. stores. Sportmart now operates 25 units, 13 in Chicago and 12 in Southern California.

Even money-losing Oshman's, the only publicly owned, independent sporting goods chain, plans to open primarily superstores. The Houston-based retailer now operates two SuperSports USA units of about 80,000-sq.-ft. in Texas and plans two more this year.

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Discount Retailing Chain Stock Analysis Table

Exch	Company	Ticker Symbol	Closing Price 3/2/92	Closing Price 3/23/92	Net Change In Period	Percent Change In Period	P/E Ratio	Annual Dividend Rate	Annual Dividend Yield	52-Week High	52-Week Low
NYS	Alexander's (L)	ALX	24.63	19.50	−5.13	−20.81	—	0.00	0.00	37.50	16.63
NYS	Ames Dept. Stores	ADD	0.50	0.38	−0.13	−25.00	—	0.00	0.00	14.13	0.25
NYS	Autozone	AZO	38.88	38.75	−0.13	− 0.32	50	0.00	0.00	42.00	13.13
NYS	Best Buy	BBY	21.63	26.75	5.13	23.70	28	0.00	0.00	35.38	8.50
OTC	Brendle's	BRDL	2.75	3.00	0.25	9.09	18	0.00	0.00	4.00	2.00
NYS	Burlington Coat	BCF	21.38	22.38	1.00	4.68	12	0.00	0.00	22.75	11.25
NYS	Caldor Corp.	CLD	16.75	16.38	−0.38	− 2.24	—	0.00	0.00	24.75	12.63
NYS	Circuit City Stores (H)	CC	31.38	34.25	2.88	9.16	26	0.08	0.23	34.75	16.13
OTC	Clothestime Inc. (H)	CTME	11.75	11.13	−0.63	− 5.32	30	0.00	0.00	13.25	3.75
OTC	Cosmetic Center Inc.	COSC	13.25	14.38	1.13	8.49	22	0.00	0.00	15.25	6.00
NYS	Consolidated Stores (H)	CNS	15.25	16.00	0.75	4.92	36	0.00	0.00	16.38	4.25
OTC	Costco	COST	37.50	38.50	1.00	2.67	49	0.00	0.00	42.66	22.91
NYS	CUC Int'l (H)	CU	33.63	33.50	−0.13	− 0.37	42	0.00	0.00	35.25	20.13
NYS	Dayton Hudson	DH	67.88	62.88	−5.00	− 7.37	16	1.52	2.42	80.25	55.75
OTC	Deb Shops	DEBS	10.00	9.50	−0.50	− 5.00	17	0.20	2.11	16.13	8.88
OTC	Dollar General	DOLR	25.00	26.75	1.75	7.00	26	0.16	0.60	28.88	9.88
OTC	Dress Barn	DBRN	12.00	12.38	0.38	3.13	18	0.00	0.00	15.50	7.75
OTC	Drug Emporium	DEMP	8.00	8.25	0.25	3.13	825	0.12	1.45	9.63	5.50
NYS	Family Dollar (H)	FDO	17.88	21.25	3.38	18.88	27	0.24	1.13	21.25	8.63
OTC	50-Off Stores	FOFF	26.50	27.75	1.25	4.72	46	0.00	0.00	32.25	6.66
OTC	Filenes Basement Corp.	BSMT	32.75	28.25	−4.50	−13.74	35	0.00	0.00	37.00	15.00
OTC	Fretter	FTTR	4.50	4.50	0.00	0.00	17	0.00	0.00	7.75	3.25
OTC	Good Guys Inc.	GGUY	20.25	17.25	−3.00	−14.81	20	0.00	0.00	30.00	13.25
NYS	Hills	HDS	1.50	1.63	0.13	8.33	4	0.00	0.00	2.00	0.50
NYS	Hilo	HLO	15.63	15.50	−0.13	− 0.80	19	0.00	0.00	16.63	9.38
NYS	Home Shopping Net.	HSN	7.88	7.25	−0.63	− 7.94	26	0.00	0.00	8.88	4.25
NYS	Jamesway (H)	JMY	6.00	6.13	0.13	2.08	—	0.00	0.00	7.63	2.50
NYS	K mart	KM	51.88	53.50	1.63	3.13	14	1.76	3.29	53.50	38.13
ASE	Lionel Corp.	LIO	0.50	0.38	−0.13	−25.00	1	0.00	0.00	3.63	0.25
ASE	L. Luria & Son	LUR	7.63	7.63	0.00	0.00	25	0.00	0.00	8.13	5.38
NYS	Melville Corp.	MES	51.25	49.50	−1.75	− 3.41	16	1.48	2.99	55.25	38.25
OTC	Meyer (Fred)	MEYR	26.75	27.50	0.75	2.80	15	0.00	0.00	28.75	15.75
OTC	Office Depot	ODP	54.88	51.50	−3.38	− 6.15	97	0.00	0.00	57.00	24.88
OTC	One Price Clothing (H)	ONPR	14.00	16.75	2.75	19.64	25	0.00	0.00	17.25	6.75
OTC	Oshman's Sport Goods (H)	OSHM	4.75	7.25	2.50	52.63	—	0.00	0.00	7.25	3.50
OTC	OW Office Warehouse	OWWH	11.50	9.50	−2.00	−17.39	—	0.00	0.00	15.50	5.75
ASE	Pamida	PAM	4.50	4.38	−0.13	− 2.78	438	0.00	0.00	6.00	2.50
NYS	Pep Boys (H)	PBY	21.25	21.00	−0.25	− 1.18	33	0.12	0.57	22.00	10.38
OTC	Pic 'n Save	PICN	19.25	17.88	−1.38	− 7.14	16	0.00	0.00	23.38	10.25
OTC	Price Company	PCLB	53.75	48.00	−5.75	−10.70	18	0.00	0.00	65.25	43.75
OTC	QVC Network	QVCN	18.88	19.75	0.88	4.64	32	0.00	0.00	20.50	8.50
OTC	Rose's Stores (cl a)	RSTO	5.50	5.50	0.00	0.00	—	0.00	0.00	7.13	2.13
OTC	Rose's Stores (cl b)	RSTOB	6.00	5.50	−0.50	− 8.33	—	0.00	0.00	7.13	1.75
OTC	Ross Stores	ROST	20.00	18.50	−1.50	− 7.50	17	0.00	0.00	23.00	7.88
NYS	Sears (H)	S	43.63	46.50	2.88	6.59	14	2.00	4.30	47.88	32.50
NYS	Service Merchandise (H)	SME	14.38	15.38	1.00	6.96	14	0.00	0.00	16.13	7.63
OTC	S & K Famous Brands (H)	SKFB	18.25	19.00	0.75	4.11	16	0.00	0.00	19.25	11.00
NYS	Shopko Stores	SKO	16.25	16.25	0.00	0.00	9	0.55	3.38	17.25	11.75
OTC	Sprouse-Reitz	STRSQ	4.00	4.00	0.00	0.00	—	0.00	0.00	14.38	1.00
OTC	Staples Inc.	SPLS	32.50	33.50	1.00	3.08	—	0.00	0.00	35.75	15.88
NYS	Stop & Shop	SHP	16.38	15.88	−0.50	− 3.05	—	0.00	0.00	17.88	10.88
OTC	Strawbridge & Cloth.	STRWA	23.50	24.75	1.25	5.32	26	1.08	4.36	28.50	20.50
OTC	Stuarts Dept. Store	STUS	2.00	1.56	−0.44	−21.85	—	0.00	0.00	2.25	0.25
NYS	Syms	SYM	12.00	11.38	−0.63	− 5.21	14	0.00	0.00	12.63	8.38
NYS	TJX Cos.	TJX	18.13	19.25	1.13	6.21	19	0.44	2.29	20.38	13.88
NYS	Toys "R" Us	TOY	34.00	34.63	0.63	1.84	30	0.00	0.00	38.75	25.00
OTC	Tuesday Morning (H)	TUES	18.00	16.38	−1.63	− 9.03	24	0.00	0.00	18.75	6.00
NYS	Value City Dept. Stores	VCD	20.13	17.75	−2.38	−11.80	20	0.00	0.00	25.00	8.94
NYS	Value Merchants	VMI	31.13	26.00	−5.13	−16.47	25	0.00	0.00	42.25	13.00
NYS	Venture (H)	VEN	32.88	30.88	−2.00	− 6.08	12	0.52	1.68	33.75	15.63
NYS	Waban	WBN	24.00	24.13	0.13	0.52	24	0.00	0.00	25.75	14.38
NYS	Wal-Mart Store	WMT	54.00	52.63	−1.38	− 2.55	38	0.20	0.38	59.88	37.13
OTC	Warehouse Club	WCLB	0.88	0.78	−0.09	−10.74	—	0.00	0.00	1.75	0.25
NYS	Woolworth	Z	28.88	30.88	2.00	6.93	—	1.08	3.50	34.38	23.50

Key: (H) = New high in period. (L) = New low in period. (d) = Deficit. NYS = New York. ASE = American. OTC = Over the counter. (s) = Reflects stock split. (cl a) = Class A stock. (cl b) = Class B stock. Note: STOR Furnishings was acquired and removed from our list. Costco completed a 3-for-2 stock split.

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Sam Walton: 1918-1992

By Arthur Markowitz

BENTONVILLE, Ark. — Samuel Moore Walton's death last week ends an era for Wal-Mart during which the 74-year-old entrepreneurial merchant, one of the nation's premier executives, directly led the business he founded over three decades ago.

Wal-Mart's unique corporate culture, the business principles and methods Walton honed since he opened his first store, a Ben Franklin franchise variety store in 1945, will continue to guide the $44 billion retailer.

S. Robson Walton, Walton's oldest son and a Wal-Mart vice chairman who was named chairman to succeed his father, said that "no changes are expected in the corporate direction, control or policy." A similar assurance came from David Glass, president and chief executive officer.

Walton added that "no family sales of Wal-Mart shares will be necessitated by reason of Mr. Walton's death." The family owns about 38% of the company's stock.

Sam Walton died April 5 at approximately 8 a.m. in the University of Arkansas Medical Science Hospital in Little Rock, Ark., of multiple myeloma, a bone marrow cancer.

Walton battled two different types of cancers. He was first diagnosed in the early '80s with hairy-cell leukemia, which attacks white blood cells and weakens the immune system. Two years ago, multiple myeloma was discovered, but he remained an active participant in Wal-Mart's business until his "health significantly deteriorated over the past three to four months. He died after being hospitalized for a few days," the company told callers in a prerecorded message.

In 1990, Sam Walton, always the consummate cheerleader, praised his Wal-Mart team at a gathering held at one of their store openings.

President Bush on March 17 presented Walton with the Presidential Medal of Freedom, the nation's highest civilian award, citing the retailer as "an American original who embodied the entrepreneurial spirit and epitomized the American dream."

That spirit blazed forth in the early '60s as Walton, already the largest Ben Franklin franchisee with over one dozen stores, watched the retailing industry resonate with discount stores, an innovative format that was already shaking the foundations of the variety store business.

The concept piqued his entrepreneurial interest. He visited a number of the pioneering chains and discussed this merchandising method and its potential for tonnage sales in talks with manufacturers.

It didn't take long before Walton, his marketing instincts already sharpened by his 22 years of retailing experience, became convinced that the concept would change the world of merchandising and become the natural successor to variety stores.

The general consensus among discounters was that the format wouldn't work in small towns and rural areas. But Walton intuitively felt that this new type of marketing also had a place in rural communities. He decided in 1962 to launch a discount operation in the same small markets where he already ran variety stores, a move that epitomized the original thinking that has always marked his retailing style.

(Continued on page 6)

INSIDE THIS ISSUE

Staying on Target for 30 Years

When Dayton Department Stores founded Target in 1962, little did it realize that 30 years later the chain would become one of the top three discounters in the nation. With the help of many talented executives throughout its history, Target added a new upscale spin to the discount concept and has been a forerunner in merchandising, marketing and community service. This special section goes back to the chain's infancy and traces the path Target traveled in establishing itself as a leading
ture of thi
page 35.

Glass Carries on Walton Legacy

By Richard Halverson
Nationwide DSN Report

Wall Street has taken the death of Sam Walton in stride, confident that he had institutionalized the principles that made Wal-Mart successful. (See page 4 for reactions of retailers and manufacturers to Sam Walton's death.)

The lack of stock market reaction to his death also suggests that the institutional investors that own 29% of Wal-Mart stock also retain confidence in the ability of the management team led by David Glass, whom Walton appointed as ceo in 1988, to maintain the momentum generated during his four years at the helm.

The swift action of the Wal-Mart board in apting S. Robson (Rob) Walton to replace his er as chairman proved to the investment munity that the family remains committed ıe Wal-Mart Corp.

David Glass

Through a series of trusts, the Walton family owns 38% of the company stock, and Rob Walton will represent the family's interests, while Glass continues to run the company, just as he has been for the past four years.

Including family and institutions and directors and employees (about 4%) 71% of all Wal-Mart stock remains in the hands of sophisticated investors who are aware that the loss of Sam Walton's inspirational leadership won't check the company's growth.

In a reassuring statement on behalf of the family, Rob Walton praised Glass. "All of us are so fortunate to have such a capable management team. I think you would agree that David Glass is one of the best management talents in all of retailing today. Our management team, under David's leadership, will continue to lead our efforts to better serve our

(Continued on page 122)

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Industry Leaders Remember Pioneer Sam Walton

"I met Sam after I opened my third store about 28 years ago. He came in and introduced himself as a country boy from Arkansas who had a few stores of his own but wanted to learn about the business and wanted to know if I would share information with him. That was when he started taking notes, a habit that was replaced with a tape recorder years later."

—Herb Fisher,
Chairman, Jamesway, Secaucus, N.J.

By Laura Liebeck

A veteran retailer of 47 years and a consummate entrepreneur who changed the face of American retailing, Sam Walton endeared himself to many who knew him and knew of him.

Whether he was considered friend or foe, Walton was always respected for his drive as well as his accomplishments and was referred to often as "Mr. Sam," a combination of familiarity and esteem.

Herb Fisher,
Jamesway chairman

President George Bush called him "an American original" and a "captain of commerce as successful in life as in business" last month when he traveled to Bentonville to award Walton the Presidential Medal of Freedom, the highest civilian award of the United States Government. Bush again complimented the Wal-Mart founder upon hearing of his death.

"Sam Walton was an American original who embodied the entrepreneurial spirit and epitomized the American dream. His commitment to family and selfless giving to others is an example to us all."

Closer to home, Arkansas Governor Bill Clinton, who is running for the Democratic party nomination for president, commented on Walton's many contributions to Arkansas, Wal-Mart's home base. Clinton also recognized Walton's contributions to community, citing the Wal-Mart founder for "improving our economy and expanding educational opportunities for our young people."

Wal-Mart president and chief executive David Glass issued the following statement: "Only his family meant more to Sam Walton than his beloved associates. Literally, his second home was a Wal-Mart store somewhere in America ... We miss him deeply. But what he taught us, instilled in us: to respect the value of each individual, that the customer is always right, and the love for God and country, will live on forever."

Joseph Antonini,
Kmart chairman

Outside Wal-Mart, emotions often ran very deep, with retailers and manufacturers referring equally as often to Walton's humanity as to the entrepreneurial spirit that made him a fierce competitor and business success.

"Sam always had respect for his retail competitors and unique relationships with his suppliers," said Warren White, executive vice president and general manager of Clover. White, who is also chairman of the board of the International Mass Retail Association, added, "While a fierce competitor, he was a friend to all who would truly serve customers in a better way. It is to that simple yet intensely persistent love of serving customers that we pay our tribute."

Robert Verdisco, president of IMRA, said: "Sam Walton has not only made the industry more prominent and successful, but his contributions and presence have made the world a better place."

Noted Jack Shultz, executive director of the National Retail Federation and president of its retail services division: "We saw Sam as the great entrepreneur of our industry. That man is owed a great deal of credit by the industry, suppliers and the customers for the innovations that he has brought to our business."

Robert Soelter, former chairman of Duckwall-ALCO whose relationship with Walton dates back to the 1960s, recalled a merchant eager to share information with a fellow competitor:

"I remember a time when we were planning a new warehouse and we were welcomed to come observe Wal-Mart's warehouse in Bentonville and Sam Walton would suggest ways in which he would have changed things if he were building it again, and giving us advice. I have a great deal of respect for someone who set the highest standards in our industry ... He made us the best we could be."

Longtime friend Joe Nusim, now the president of Channel Home Centers, first met Walton in 1971. The former Jamesway and Makro executive recalled his first impression of Walton as being a strong mixture of business drive and down home gentleness, a man who thought as much about his business as he did his associates.

"He knew everything about his business and had determined even then that he would have a multi-billion company when others thought in the hundreds of millions."

Added Nusim: "I don't know anyone who didn't like Sam Walton. He was a man of his word."

Even the vendor community, which views Wal-Mart as arguably the toughest negotiator, had nothing but respect for the man and his vision.

"We feel that one of Sam's greatest contributions to Wal-Mart, to the industry and to Rubbermaid in particular, was his attitude toward experimentation. He constantly encouraged us to experiment on a small basis and if the idea

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Rob Walton Assumes Father's Post

BENTONVILLE, Ark. — Wal-Mart's board of directors lost no time in maintaining the Walton family's direct involvement in the company by naming S. Robson Walton as chairman to succeed his father, Sam Walton, who died the previous day.

Walton, known as Rob, is 47 years old and is Sam Walton's oldest child and the only one involved in the company's management. He had been vice chairman since 1982 and a Wal-Mart officer and director since 1978, when he joined the company as legal counsel.

He received an accounting degree from the University of Arkansas in Fayetteville in 1966 and a law degree in 1969 from Columbia University in New York. He worked for a Tulsa, Okla., law firm before joining the discounter, where he also served as secretary and senior vice president prior to becoming vice-chairman.

While Walton never took on major operational responsibilities at Wal-Mart, he often accompanied his father to store openings and participated in annual meetings, including delivering a business outlook report at last year's gathering. As vice chairman, he has been involved in the company's expansion program, helping to selected sites for new stores.

Rob Walton had long been expected to succeed his father; a few years ago Sam Walton had even considered stepping down as chairman to facilitate such a move.

Walton's election reflects both his personal involvement with Wal-Mart and its top management and the Walton family's interest in the company. Walton Enterprises Inc., a family-owned company, controls 38% of Wal-Mart's stock, worth about $23 billion and paying about $93.5 million in dividends.

S. Robson 'Rob' Walton

Walton and Wal-Mart president and chief executive officer David Glass respect each other and have developed a close working relationship. That affinity reportedly played a key role in Glass being named president and ceo in 1988 over Jack Shewmaker, then the discounter's vice chairman.

Since illness forced Sam Walton to curtail, and in the past few months stop, making his renowned inspirational visits to stores and leading the Saturday morning meetings at headquarters, Glass and Donald G. Soderquist, vice chairman and chief operating officer, have taken over these tasks.

Rob Walton is married and has five children, including three from a previous marriage. He had been an all-state football tackle in high school and is a regular handball player. He participated in the 1986 Ironman Triathlon in Hawaii, finishing 510th out of 1,039.

Sam Walton's other children are John T., 45, who owns a boat building business in San Diego; James C., 43, president of Walton Enterprises and Alice, 42, president of the Fayetteville investment banking firm Llama Co., that was mainly funded with family money.

A trust set up in 1990 divided ownership of the family's stock investment in Wal-Mart among Sam Walton and his four children, each with equal voting rights. The trust specifies that no family shares can be sold without approval of other stockholders holding 70% of the shares.

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MARKETWATCH

Jamesway Taps Hollis as Prexy

SECAUCUS, N.J. — Peter Hollis was named president of Jamesway, the 122-unit Northeast discount chain. The announcement came after a grand re-opening of two new Jamesway protoypes in Claymont and Newark, Del., early this month.

Hollis, formerly president and ceo of Ames, joined Jamesway in October 1991 as executive vice president, merchandising, advertising and store operations. The chain reported a net loss of $1.2 million for fiscal 1991, compared to a loss of $17 million a year earlier.

Hills Profits Down After Restructure

CANTON, Mass. — Hills, the 154-unit discounter which has been reorganizing under Chapter 11 for the past 14 months, reported sales of nearly $1.68 billion for the year ended Feb. 1, 1992, down from $2.14 billion the previous year when it operated 214 stores.

Operating profit for 1991 was $56.6 million, down from $67.7 million a year earlier. Net income for 1991 was $22.5 million compared to a $273.7 million loss in 1990. Hills filed for Chapter 11 bankruptcy on Feb. 4, 1991, and soon after closed 68 stores.

Stop & Shop Inks Interest Deal

BRAINTREE, Mass. — Bradlees parent Stop & Shop has negotiated interest rate cuts on a $1.6 billion bank credit line intended to help fund supermarket expansion and Bradlees' remodeling program over the next six years. Bradlees operates 129 units in the Northeast.

Caldor Bags Nathan's for 50 Units

NORWALK, Conn. — Caldor has agreed to install Nathan's Famous restaurants in as many as 50 stores over the next five years.

Units will range from 120-sq.-ft. hot dog kiosks to 2,000-sq.-ft. restaurants seating as many as 60. Nathan's will open the first four by Memorial Day and five more in the fall.

Experts Say Economy is 'Crawling' Back

NEW YORK — Economists at a National Retail Federation conference on the 1992 Business Outlook agreed that the economy is definitely in recovery but warned that deep-rooted financial problems will cap domestic growth at about 3% this year.

A sampling of discount chains shows that March sales didn't match February's surge but comparisons to last year were hampered due to the lack of Easter sales, which fell into late March in 1991.

March 1992 Sales Results

Chain	Total Sales % Chg. from '91	Comp-Store % Chg. from '91
Wal-Mart*	18.0%	6.0%
Sam's Club	25.0%	9.0%
Kmart*	4.7%	(0.7%)
Pace	22.0%	11.8%
Sears	2.2%	3.2%
Target	17.0%	5.0%
Caldor	6.1%	0.2%
ShopKo	(6.5%)	(6.9%)
Venture	15.9%	3.4%
Best Buy	63.0%	24.0%
Ross Stores	9.0%	0.0%
Dollar General	17.4%	12.5%
Jamesway	3.0%	3.0%
Value City	(1.4%)	(5.7%)
Pic 'N' Save	(2.1%)	(2.8%)
Clothestime	10.0%	3.0%
Value Merchants	57.5%	(0.1%)
50-Off Stores	18.0%	(12.0%)

*Consolidated company results
( )—loss
Source: Company reports

Recalling Wal-Mart's Maverick

Walton Revolutionized Retail Industry, Work Relations

(Continued from page 1)

Wal-Mart was a new retailing direction for the young company Walton started after his discharge from the U.S. Army in 1945. Compared to executives running the older, long-established chains that comprised the variety store field, Walton was a newcomer to retailing, unfettered by any hoary rules on how to be a merchant or run a store.

Walton, however, brought two key ingredients to the new venture, his personal experience and his business background, which together formed the ambition that drove him to succeed and that made Wal-Mart in 1989 *DSN's* Retailer of the Decade.

***Samuel Moore Walton** was a believer in intense involvement and communication with employees.*

Walton's personal story began in Kingfisher, Okla., when he was born March 29, 1918, to Nancy and Thomas Walton, a farm-loan appraiser and a real estate broker. The family lived in several towns in Missouri while his father pursued his business. Walton grew up during the Great Depression and while his father struggled to keep food on the table, he helped by working at such jobs as delivering papers and milking cows.

Walton's business experience began 52 years ago in 1940 when, at 22, he graduated from the University of Missouri with an economics degree. He toyed with the idea of becoming an insurance salesmen, but changed his mind after applying for a job at JCPenney.

"I interviewed them. I liked what I heard," he recalled in an reminiscence in the Benton County Daily Democrat, a local newspaper, a few years ago. "I went to St. Louis and visited with the general manager and other folks there and they encouraged me and thought that I had the kind of talent that would be useful for them."

JCPenney offered Walton a trainee job at $85 a month and sent him to Des Moines, Iowa, where he worked for 18 months. He was "profoundly influenced" by the retailer's direct involvement with its employees, Walton told the Wall Street Journal in another interview.

Walton later applied the people management insights he learned at JCPenney in his own company. Enthusiastic, at times folksy, and when needed, forthright and straightforward, communication and intense involvement with employees became a Wal-Mart hallmark.

This philosophy pervades the entire company, right up to Walton himself. When he came down with hairy-cell leukemia, he wrote about his experience in his Message From Our Chairman column in Wal-Mart World, the company's employee publication. The September/October 1984 column includes, "On a more personal note, I received some wonderful news a couple of weeks ago that I'd like to share with you . . . my last tests indicated that the hairy-cell leukemia I have had is in complete remission at this time . . . I'm so thankful to you all for your prayers and support and well wishes in my behalf . . . I just wish I could thank you all personally and will try as I continue to make my Wal-Mart rounds."

This intense reaching out to employees at all levels of the company is unparalleled. "Wal-Mart is unique because we require involvement. There's a pressure to get involved. Whatever level you're at, you'll perform far better if you're involved and believe that you can make a difference. Sam and [his younger brother, J.L.] "Bud" had the philosophy in the first stores they opened," David D. Glass, Wal-Mart president and chief executive officer told *DSN* in an interview a few years ago.

When World War II broke out in 1941, Walton returned home to Oklahoma to await induc-

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Walton Remembered by Peers

(Continued from page 4)

worked, roll it out. If it failed, try something else. It was his attitude of keep trying, and don't be afraid of failure, that propelled Wal-Mart and pressed us to some of our very best thinking," said Rubbermaid chairman and chief executive Walter W. Williams and president and chief operating officer Wolfgang R. Schmitt.

"It's truly a sad day for retailing; Sam was a pioneer of much that was good in this industry. He was a people person, and what he said came from the heart; there aren't that many people like that around," said Bob Gehm, senior vp at J.P. Stevens.

From Packy Nespeca, senior vp, corporate trade development at American Greetings, who knew Walton during his Ben Franklin days and the planning of the first Wal-Mart store: "The vision became a tremendous reality in retailing. Wal-Mart will continue to be a major factor in retailing for years to come because of his forward planning with the people he surrounded himself with to continue that vision."

Charles L. Peifer, vp and general manager, Corning Consumer Products-U.S., commented: "We were privileged to know and work with a true legend in the retailing industry. Sam Walton instilled a great tradition there at Wal-Mart, and we're confident that tradition will continue."

Added Procter & Gamble: "He was a pioneer who changed the face of the consumer products business. He understood, perhaps better than anyone else, how manufacturers and retailers can better serve the consumer by working closely together."

From Wal-Mart's fiercest competitors, Kmart and Target, the messages were equally respectful.

"Sam Walton has proven his determination to influence the American retail marketplace. He will long be recognized as an entrepreneur and an aggressive merchant during the most competitive era in our country's retail history. His Wal-Mart legacy is testimony to his spirit and leadership," said Kmart chairman Joseph Antonini.

"Sam was a legend—not only at Wal-Mart—but for anyone who has been involved in the retail industry. He was a leader, as well as a great competitor," said Bob Ulrich, Target chairman.

And from William Tyrrell, vice chairman of the board at ShopKo: "All retailers know that we have truly lost a great retailing entrepreneur. But those of us who were fortunate enough to be in our industry during Mr. Sam's phenomenal growth know that Wal-Mart and Wal-Mart competitors have lost a good friend, Christian and patriot. I am sure that at this moment Sam is looking down from that great retail store in the sky on all of us saying, "Give me a "W"; give me an "A"; give me an "L"; give me an "M"; give me an "A"; give me and "R"; give me a "T". God bless you Sam and rest in peace."

—Jill Lettich, Mary Ellen Kelly and Pete Hisey contributed to this article.